



California Energy Commission – Tracking Progress

The California Clean Energy Jobs Act: Proposition 39

The California Clean Energy Jobs Act (Proposition 39) provides funding for planning and installing eligible energy measures, such as energy efficiency upgrades and clean energy generation at schools. The initiative changed California's corporate income tax code and allocates projected revenue to the General Fund and the Clean Energy Job Creation Fund for five fiscal years, beginning with fiscal year 2013/2014.

Following the passage of Proposition 39, the state Legislature enacted Senate Bill 73 (Committee on Budget and Fiscal Review, Chapter 29, Statutes of 2013), designating the California Energy Commission as the lead agency for implementing Proposition 39 in consultation with the California Department of Education, California Community Colleges Chancellor's Office, California Public Utilities Commission, California Workforce Development Board, the Division of the State Architect, the California Department of Industrial Relations, and the California Conservation Corps. Though the Energy Commission is designated as the lead for implementing Proposition 39, the Energy Commission, California Conservation Corps, California Workforce Development Board, and the California Community Colleges Chancellor's Office each administer stand-alone but complementary programs funded by the Clean Energy Job Creation Fund established by Proposition 39.

The Energy Commission is primarily responsible for administering the Proposition 39 kindergarten through 12th (K-12) program and reviews K-12 Energy Expenditure Plans for approval so that they may implement cost-effective energy efficiency and clean energy generation measures. In addition, the Energy Commission was appropriated funding by the State Legislature from the Clean Energy Job Creation Fund to enhance its energy efficiency loan program for K-12 schools and community colleges. The Energy Commission also received funding for its Bright Schools program, which provides energy project planning services for K-12 schools. Complementing the Proposition 39 (K-12) program and the Energy Commission's energy efficiency loan and Bright Schools programs, the California Conservation Corps administers the Proposition 39 Energy Corps program. This program provides K-12 schools with additional energy project planning services.

To ensure that a qualified and trained workforce is available to install energy efficient equipment and clean energy generation at schools, the California Workforce Development Board (CWDB), formerly known as the California Workforce Investment Board, implements the Proposition 39 preapprenticeship program. This program provides grants to local workforce development agencies to implement targeted training programs to assist disadvantaged youth, veterans, and others for employment in the clean energy fields. Finally, the California Community Colleges Chancellor's Office is responsible for administering the Proposition 39 community college district program, providing funding to community colleges to scope, plan, and execute energy efficiency and clean energy generation measures.



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The proceeding section presents information about the annual appropriations made by the state Legislature to the program administrators of Proposition 39 (Clean Energy Job Creation Fund). The following sections focus explicitly on the Proposition 39 (K-12) program given the Energy Commission's role as the primary administrator of this program. The final section provides information about the Proposition 39 Citizens Oversight Board, which is responsible for reviewing the Clean Energy Job Creation Fund expenditures by conducting independent audits of the fund and selected projects.

Proposition 39 (Clean Energy Job Creation Fund) Allocation

Annual appropriations for the initial five-year period, 2013–2018, are based on actual tax revenue generated from the initiative change in the corporate income tax code.

Table 1 shows the Proposition 39 revenue appropriations from Clean Energy Job Creation Fund that includes the Energy Commission's Proposition 39 (K-12) program and the other programs funded by Proposition 39.



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Table 1: Appropriation of Proposition 39 (Clean Energy Job Creation Fund) Funding

Program Administrator	Fiscal Year 2013/14 (in millions)	Fiscal Year 2014/15 (in millions)	Fiscal Year 2015/16 (in millions)
California Energy Commission/ California Department of Education (CDE) K-12 program (<i>Amounts received by local school districts vary based on a formula of average daily attendance and the number of students eligible to receive free and reduced-price meals in the school year.</i>) Funding is dispersed by CDE, with program implementation and funding approvals through the Energy Commission.	\$381	\$279	\$313.4
California Community College Chancellor's Office Community College District program For energy efficiency and clean energy generation projects.	\$47	\$39	\$38.7
California Energy Commission Energy Conservation Assistance Act - Education Subaccount (<i>No-interest revolving loan program for K-12 schools and community college districts.</i>) Bright Schools program (<i>Energy audits and other technical assistance for K-12 schools.</i>)	\$25.2	\$25.2	\$0
	\$2.8	\$2.8	\$0
California Workforce Development Board Develop and implement a competitive grant program for eligible workforce training organizations to prepare disadvantaged youth, veterans, and others for employment in clean energy fields.	\$3	\$3	\$3
California Conservation Corps Provide energy project planning services.	\$5	\$5	\$5.4
TOTALS	\$464	\$354	\$360.5

Proposition 39 (K-12) Program Features

The Energy Commission is responsible for administering the Proposition K-12 program, also known as the Local Educational Agency (LEA) program, which includes public school districts, charter schools, county offices of education, and state special schools. LEAs submit Energy Expenditure Plans with proposed eligible energy measures to the Energy Commission for review and approval. Upon approval, the Energy Commission notifies the California Department of Education to disburse the allocated Energy Expenditure Plan funds.

For fiscal year 2014/2015, there are 2,079 eligible LEAs ranging from a small classroom of fewer than 10 students to an enormous public school district of nearly 900,000 students. The



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five-year funding disbursed by the California Department of Education is guaranteed for the five-year period and has a fiscal year rollover feature through June 30, 2018. LEAs have two additional years, until June 30, 2020, to complete their energy plans and another year to report final project completion by June 30, 2021.

The Proposition 39 (K-12) program was designed to offer schools flexibility when planning and implementing their projects. This includes allowing schools to (1) apply for single or multiyear Energy Expenditure Plans, (2) retroactively fund measures, and (3) accumulate Proposition 39 funds over five years to fund a larger Energy Expenditure Plan with more energy efficiency measures across more school sites.

To encourage statewide energy savings in schools, the Proposition 39 (K-12) program funds eligible energy measures, which include:

- Lighting and lighting control systems.
- Heating, ventilation, and air-conditioning systems (HVAC), such as new chillers, boilers, and furnaces.
- Pumps, motors, and variable frequency drives.
- Energy management systems, programmable/"smart" thermostats, and chiller controls.
- Plug-load equipment, such as power management and vending machine misers.
- Building envelope energy-saving measures.
- On-site clean energy generation, such as solar photovoltaic.

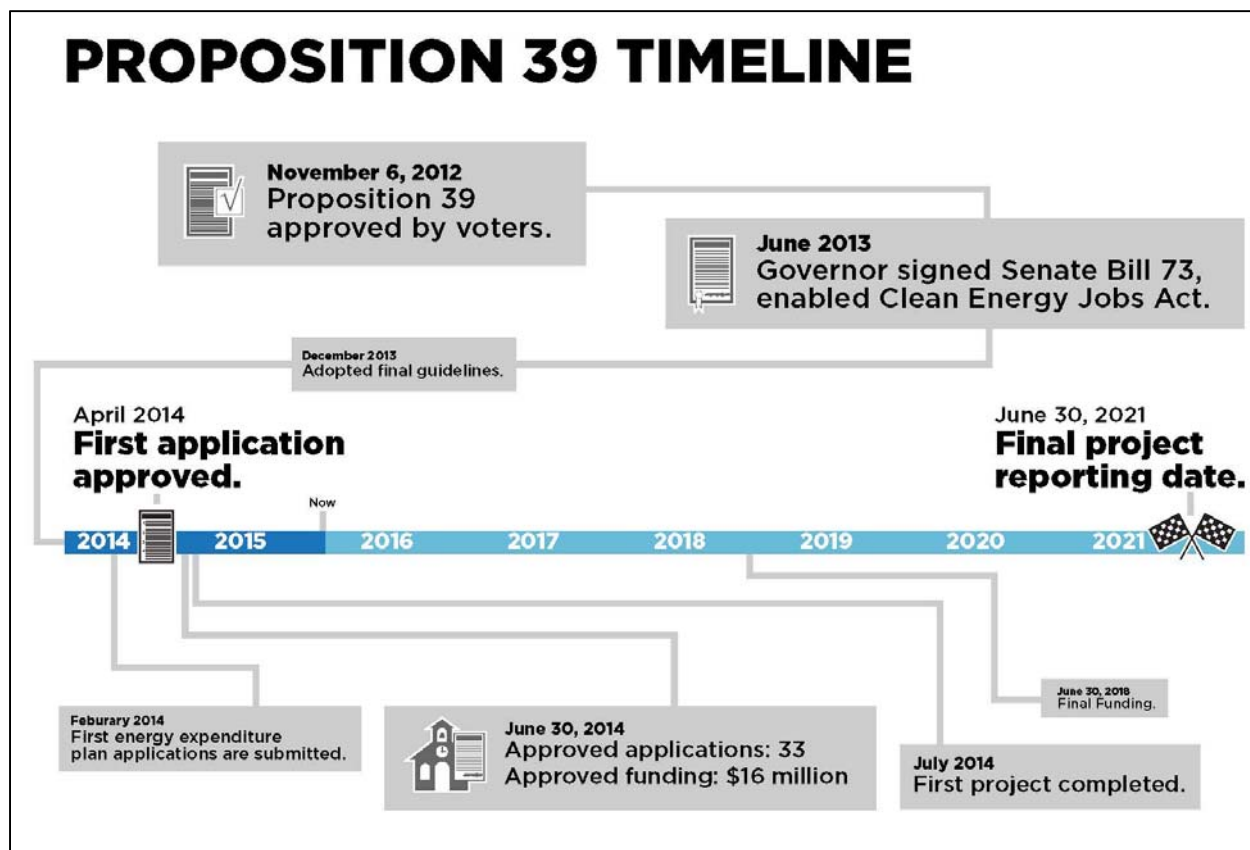
The Proposition 39 (K-12) program quickly began just six months after Governor Edmund G. Brown Jr. signed SB 73, with the first Energy Expenditure Plans flowing to the Energy Commission in February 2014. Some LEAs completed Energy Expenditure Plans as soon as July 2014, achieving energy savings from their Proposition 39-funded energy investments within months of the program launch.

Figure 1 illustrates the Proposition 39 (K-12) program timeline from voter approval of Proposition 39 in November 2012, to LEA final project completion reports due by June 2021.



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Figure 1: Proposition 39 Local Educational Agency Program Timeline



Source: California Energy Commission staff

Proposition 39 (K-12) Program: How to Apply

LEAs apply for Proposition 39 funding by submitting an Energy Expenditure Plan to the Energy Commission. An online suite of tools and a toll-free hotline are available to help applicants evaluate energy needs, develop Energy Expenditure Plans, and implement eligible energy measures. The Energy Commission's Proposition 39 (K-12) program Web page includes key information to help LEAs complete an Energy Expenditure Plan. The Web page also includes frequently asked questions and a handbook that explains how LEAs are to complete and submit their respective Energy Expenditure Plans.

Proposition 39 (K-12) Program Accomplishments

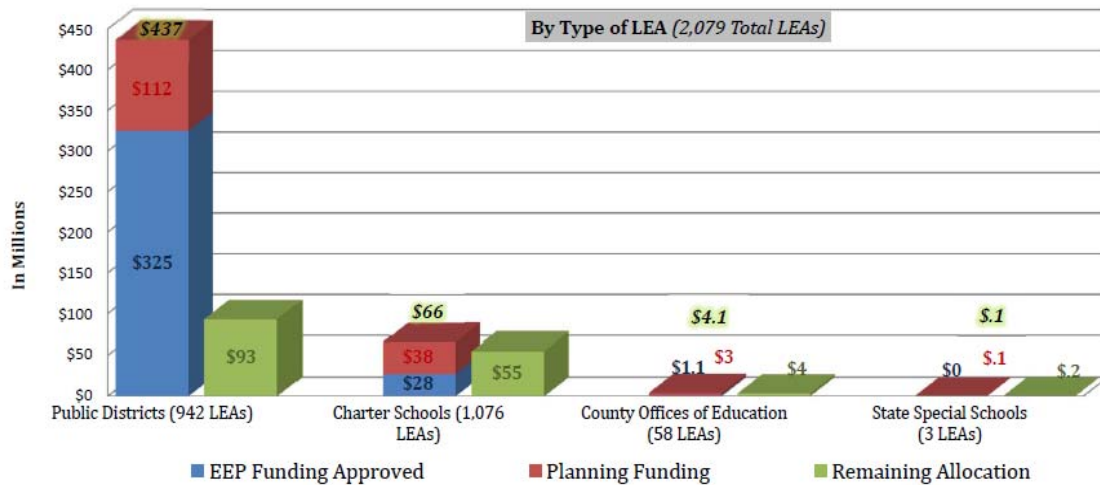
Since the Energy Commission received its first Energy Expenditure Plans from LEAs in February 2014, more than 516 Energy Expenditure Plans have been approved, totaling \$354 million in requested funding. In addition, more than three-fourths of LEAs (1,646) requested energy planning funds and are in the planning stage, as it takes time to appropriately scope cost-effective clean energy projects that will save energy, reduce energy costs, reduce greenhouse gas emissions, and create jobs.



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Figure 2 summarizes the total funding distributed by LEA type, including funding that is allocated to each LEA but not yet appropriated to projects.

Figure 2: Funding Distributed by LEA (as of August 17, 2015)



Source: California Energy Commission staff

Table 2 summarizes the estimated annual energy savings reported by LEAs on approved Energy Expenditure Plans.

Table 2: Estimated Annual Energy Savings From Approved Energy Expenditure Plans (as of August 17, 2015)

Electricity Savings (kWh)	139,652,035
Natural Gas Savings (therms)	1,225,519
Propane Savings (gallons)	74,948
Fuel Oil Savings (gallons)	6,326

Source: California Energy Commission staff

Table 3 summarizes the estimated annual energy cost savings and greenhouse gas emission reductions reported on approved Energy Expenditure Plans, based on data from **Table 2**.



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Table 3: Estimated Annual Cost Savings and Greenhouse Gas Emission Reductions From Approved Energy Expenditure Plans (as of August 17, 2015)

Estimated Annual Energy Cost Savings	\$25,406,777
Estimated Annual Greenhouse Gas Emission Reductions (lbs of carbon dioxide emissions)	110,637,201

Source: California Energy Commission staff

Note: The results shown are calculated from data provided in Table 1 and assume 690 pounds carbon dioxide equivalent (lbsCO₂e) per megawatt-hour and 11.65 lbsCO₂ per therm. The estimate of annual greenhouse gas reductions does not include emission reductions from decreased use of propane and fuel.

As of August 17, 2015, measures approved through Energy Expenditure Plans estimate 1,737 job-years (a job-year represents one job for one year).¹ This estimate is based on data self-reported by funding recipients. This represents projected job-years when all of the approved measures are completed and final. This does not represent the jobs actually created, this is an estimate. Under the Proposition 39 (K-12) program, the CWDB is charged with collecting final jobs data after an LEA's measures are completed.

Table 4 summarizes the energy measures that have been requested through approved Energy Expenditure Plans. These energy measure categories encompass the proposed energy measures LEAs have applied for in their Energy Expenditure Plans.

¹ A job-year is defined as a full-time job that lasts for one year—not one permanent job. A review of studies on labor intensity of energy efficiency projects indicates that on average 5.6 direct job-years are created per \$1 million invested for energy efficiency retrofits. A review of two studies on solar photovoltaic labor intensity indicates that on average 4.2 direct job-years are created per \$1 million invested for solar energy generation system installation. See Zabin and Scott, *Proposition 39: Jobs and Training for California's Workforce*, page 11: http://www.irle.berkeley.edu/vial/publications/prop39_jobs_training.pdf.



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Table 4: Energy Expenditure Plan Measures Approved by Category
(as of August 17, 2015)

Energy Measure Category	Total Number of Measures Approved	Percentage of Total Measures Approved
Lighting	2,997	47%
Lighting Controls	647	10%
HVAC	1,128	18%
HVAC Controls	664	10%
Plug Loads	410	6%
Pumps, Motors, Drives	164	3%
Generation (PV)	136	2%
Building Envelope	99	2%
Domestic Hot Water	98	2%
Kitchen	25	0%
Electrical	13	0%
Energy Storage	8	0%
Pool	5	0%
Power Purchase Agreements (PPA)	4	0%
Irrigation	3	0%
TOTALS:	6,401	100%

Source: California Energy Commission staff

Table 5 shows the counties with approved Energy Expenditure Plans, indicating the total number of Energy Expenditure Plans and total funding approved for LEAs in each county.

Table 5: Approved Energy Expenditure Plans by County (as of August 17, 2015)

County	Total # of LEAs in County	Number of Approvals	EEP Funds Approved	County	Total # of LEAs in County	Number of Approvals	EEP Funds Approved	County	Total # of LEAs in County	Number of Approvals	EEP Funds Approved
Alameda	74	15	\$7,441,928	Madera	18	6	\$1,031,761	San Joaquin	51	12	\$6,726,826
Alpine	2	0	\$0.00	Marin	23	11	\$1,488,925	San Luis Obispo	14	6	\$3,517,940
Amador	2	0	\$0.00	Mariposa	3	0	\$0.00	San Mateo	37	10	\$5,250,117
Butte	31	12	\$5,240,767	Mendocino	23	4	\$1,189,228	Santa Barbara	30	11	\$6,714,267
Calaveras	6	0	\$0.00	Merced	24	5	\$3,045,751	Santa Clara	85	30	\$10,138,788
Colusa	5	2	\$655,051	Modoc	4	1	\$106,797	Santa Cruz	24	8	\$3,764,183
Contra Costa	29	10	\$7,672,385	Mono	6	0	\$0.00	Shasta	38	15	\$3,270,000
Del Norte	5	0	\$0.00	Monterey	33	10	\$4,478,262	Sierra	1	0	\$0.00
El Dorado	24	3	\$1,272,286	Napa	9	3	\$3,640,276	Siskiyou	27	16	\$1,568,614
Fresno	60	23	\$15,091,615	Nevada	23	7	\$1,367,267	Solano	14	2	\$430,207
Glenn	11	4	\$1,211,992	Orange	42	14	\$21,070,992	Sonoma	97	13	\$2,751,882
Humboldt	46	3	\$357,336	Placer	36	11	\$6,679,848	Stanislaus	49	11	\$6,980,747
Imperial	20	3	\$2,010,103	Plumas	3	2	\$655,872	Sutter	17	2	\$464,298
Inyo	11	4	\$756,971	Riverside	50	26	\$47,161,279	Tehama	16	9	\$1,675,502
Kern	59	15	\$6,081,742	Sacramento	58	12	\$7,859,788	Trinity	10	6	\$720,446
Kings	20	8	\$2,138,159	San Benito	13	1	\$235,402	Tulare	60	25	\$12,887,997
Lake	9	4	\$905,147	San Bernardino	70	14	\$16,445,273	Tuolumne	15	0	\$0.00
Lassen	16	4	\$362,967	San Diego	156	41	\$33,977,693	Ventura	34	5	\$5,167,051
Los Angeles	397	48	\$76,168,566	San Francisco	17	1	\$363,087	Yolo	10	4	\$2,022,811
								Yuba	12	4	\$1,218,705

Source: California Energy Commission staff

Figure 3 is a map showing the counties with approved Energy Expenditure Plans.



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Figure 3: Approved Energy Expenditure Plans by County (as of August 17, 2015)



Source: California Energy Commission staff



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Proposition 39 - Citizens Oversight Board

Proposition 39 established the Citizens Oversight Board. The board consists of nine voting members and two ex-officio members. The State Controller, the State Treasurer, and the State Attorney General appoint three board members each. The Energy Commission and the California Public Utilities Commission each designate an ex-officio member.

The Citizens Oversight Board reviews fund expenditures and conducts independent audits of the Job Creation Fund and selected projects. The board then publishes an accounting of annual expenditures from the Job Creation Fund and submits a program evaluation to the Legislature.

The board is expected to conduct its first board meeting in fall 2015.

Appointed on October 18, 2013, by former State Treasurer Bill Lockyer:

- **Kate Gordon** – vice president and director, Energy and Climate Program for Next Generation
- **James “Walkie” Ray** – engineer and partner, Sanderson J. Ray Development
- **Steven Sakurai** – chief financial officer, Yocha Dehe Wintun Nation and adjunct professor, California State University, Sacramento

Appointed on January 16, 2014, by former State Controller John Chiang:

- **Dana Cuff** – professor of architecture and urban design, University of California, Los Angeles
- **Erik Emblem** – executive administrator and chief operating officer, Western States Council – Sheet Metal Workers
- **Gary Kremen** – Clean technology engineer, entrepreneur, and inventor

Appointed on October 29, 2014, by Attorney General Kamala D. Harris:

- **Arno Harris** – former chief executive officer, Recurrent Energy
- **Chelina Odbert** – cofounder and executive director, Kounkuey Design Initiative
- **Randall Martinez** – executive vice president and chief operating officer, Cordoba Corporation

Ex Officio Members:

- **Robert Weisenmiller**, Chair, California Energy Commission
- **Michael Picker**, President, California Public Utilities Commission



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Additional References:

For more information on the Proposition 39 (K-12) program:

<http://www.energy.ca.gov/efficiency/proposition39/index.html>

For questions on the Proposition 39 (K-12) program:

Proposition 39 (K-12) Hotline, Call: (toll-free for those in California: 855-380-8722, and a toll line for those out-of-state: 916-653-0392) or email Prop39@energy.ca.gov

For more information on disbursement of Proposition 39 (K-12) program funding:

<http://www.climateinvestmentmap.ca.gov/>

Contact: Michelle Vater, michelle.vater@energy.ca.gov

Media inquiries should be sent to the Media and Public Communications Office at 916-654-4989, or by email at mediaoffice@energy.ca.gov

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